



FOR IMMEDIATE RELEASE

8 December 2015

AIB is identified as an O-SII by the Central Bank of Ireland

Allied Irish Banks, p.l.c. ("AIB") has been identified by the Central Bank of Ireland (CBI) as an 'other systemically important institution' (O-SII) as required under Regulations 121-123 of the European Union (Capital Requirements). This decision was also informed by the European Banking Authority (EBA) Guidelines on the Assessment of O-SIIs.

The identification of AIB as an O-SII reflects its high significance in the Irish banking sector and its importance in providing credit to the Irish economy. In this context, the CBI has decided that a buffer rate of 1.5% (to be held in the form of CET1) will be applied, to be phased-in from 1 July 2019 until 1 July 2021 in equal stages of 0.5% as follows:

O-SII Buffer rate	Phase-in Period
1.5%	0.5% from 1 July 2019 1% from July 2020 1.5% from 1 July 2021

On 17 November, AIB announced a number of capital reorganisation measures to simplify and strengthen its regulatory capital position, which are subject to shareholder approval at an Extraordinary General Meeting on 16 December 2015. The table below illustrates the indicative effect of the completion of the capital reorganisation on the Group's regulatory capital position, had each element been completed on 30 September 2015:

CRD IV Fully Loaded Capital (excl. 2009 Preference Shares)	30 September 2015	Post Proposed Capital Reorganisation
CET1 Capital ratio	9.2%	12.2%
Total Capital ratio	9.9%	15.1%
Leverage ratio	5.2%	7.3%
Transitional Capital (incl. 2009 Preference Shares)	30 September 2015	Post Proposed Capital Reorganisation
CET1 Capital ratio	18.2%	15.4%
Total Capital ratio	19.4%	18.7%

Notes to table

- All of the above capital ratios include the impact of Q3 2015 unaudited profits.
- Ratios reflect accrued dividend on the 2009 Preference Shares to 30 September 2015
- Whilst the redemption reduces the Group's transitional CET 1 ratio, the impact of the capital actions will result in a net increase in the CET 1 and total capital ratios on a CRD IV fully loaded basis.

AIB's transitional CET1 capital ratio was comfortably above its minimum regulatory requirements at 30 September 2015, which includes all buffers.

For further information on O-SII and buffer rates, please see the CBI website at:

<http://www.centralbank.ie/Pages/home.aspx>

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Important Information and Forward Looking Statement

AIB has c.523 billion ordinary shares, 99.8% of which are held by the Ireland Strategic Investment Fund (ISIF), mainly following the issue of 500 billion ordinary shares to the National Pension Reserve Fund Commission (predecessor to the ISIF) at €0.01 per share in July 2011.

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of AIB Group and certain of the plans and objectives of the Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'may', 'could', 'will', 'seek', 'continue', 'should', 'assume', or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, capital structure, Government shareholding in the group, income growth, loan losses, business strategy, projected costs, capital ratios, estimates of capital expenditures, and plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking information. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These are set out in the Principal Risk and Uncertainties on pages 51 to 56 in the 2014 Annual Financial Report. In addition to matters relating to the Group's business, future performance will be impacted by Irish, UK and wider European and global economic and financial market considerations. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made. The Group cautions that the list of important factors on pages 51 to 56 of the 2014 Annual Financial Report is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and events when making an investment decision based on any forward-looking statement.